

1 Mark P. Wine, SBN 189897  
 2 Christopher Bright, SBN 206273  
 3 **MCDERMOTT WILL & EMERY LLP**  
 18191 Von Karman Avenue, Suite 400  
 Irvine, California 92612  
 Telephone: (949) 851-0633  
 4 Facsimile: (949) 851-9348

5 Timothy J. Malloy, Pro Hac Vice  
 David D. Headrick, Pro Hac Vice  
 6 **MCANDREWS, HELD & MALLOY, LTD.**  
 500 West Madison Street, 34th Floor  
 7 Chicago, Illinois 60661  
 Telephone: (312) 775-8000  
 8 Facsimile: (312) 775-8100

James Pooley, SBN 058041  
 Kimberly N. Van Voorhis, SBN 197486  
 Marc David Peters, SBN 211725  
 9 **POOLEY & OLIVER LLP**  
 Five Palo Alto Square, 7<sup>th</sup> Floor  
 3000 El Camino Real  
 Palo Alto, CA, 94306-2109  
 Telephone: (650) 739-7000  
 Facsimile: (650) 739-7100

S. Christian Platt, SBN 199318  
 10 **PAUL HASTINGS, JANOFKY & WALKER**  
**LLP**  
 3579 Valley Centre Drive  
 San Diego, CA 92130  
 Telephone: (858) 720-2500  
 Facsimile: (858) 720-2555

11 Attorneys for Defendant  
**ALARIS MEDICAL SYSTEMS, INC.**

Attorneys for Plaintiff  
**ICU MEDICAL, INC.**

12  
 13 **UNITED STATES DISTRICT COURT**  
 14 **CENTRAL DISTRICT OF CALIFORNIA**  
**WESTERN DIVISION**

15 **ICU MEDICAL, INC.,**  
 a Delaware corporation,

16 Plaintiff,

17 v.

18 **ALARIS MEDICAL SYSTEMS, INC.,**  
 19 a Delaware corporation,

20 Defendant.

21 **ALARIS MEDICAL SYSTEMS, INC.,**  
 22 a Delaware corporation,

23 Counterclaim plaintiff,

24 v.

25 **ICU MEDICAL, INC.,**  
 a Delaware corporation,

26 Counterclaim defendant.  
 27  
 28

CASE NO. SA CV 04-689 MRP (VBKx)

JOINT STIPULATION FILED IN  
 SUPPORT OF AND IN OPPOSITION TO  
 DEFENDANT ALARIS MEDICAL  
 SYSTEMS, INC.'s MOTION TO COMPEL  
 ICU'S RESPONSE TO ALARIS'S  
 REQUESTS FOR PRODUCTION NOS. 9,  
 10, 11, 23, 27, 38, 39

Date: April 3, 2006  
 Time: 10:00 a.m.  
 Judge: Hon. Mariana R. Pfaelzer

Discovery Cutoff Date: March 17, 2006  
 Pretrial Conference Date: August 28, 2006  
 Trial Date: October 3, 2006

## TABLE OF CONTENTS

I.	INTRODUCTORY STATEMENTS.....	1
A.	Defendant ALARIS's Introductory Statement.....	1
B.	Plaintiff ICU's Introductory Statement.....	2
II.	ALARIS'S CONTENTIONS AND POINTS AND AUTHORITIES REGARDING ICU'S REFUSAL TO RESPOND TO ALARIS'S LEGITIMATE DISCOVERY REQUESTS.....	5
A.	ICU Has The Burden To Justify Its Resistance To The Requested Discovery.....	5
B.	Discovery Requests Relevant To ICU's Deficiencies.....	6
C.	ICU Should Be Compelled To Produce All Information Related To ICU's Election To Rely On The Advice Of Counsel In The Medex v. ICU Litigation.....	7
1.	The Advice Of Counsel Information From The Medex v. ICU Litigation Is Discoverable.....	8
2.	ICU Cannot Un-Ring The Waiver Bell.....	10
3.	ICU Cannot Demonstrate Any Immunity To Outweigh The Relevance Of The Requested Information.....	12
III.	ICU'S CONTENTIONS AND POINTS AND AUTHORITIES REGARDING ALARIS'S ATTEMPT TO COMPEL THE PRODUCTION OF PRIVILEGED COMMUNICATIONS.....	13
A.	ICU's Privileges Remain Intact In This Litigation Because ICU's Previous Waiver Is Limited To The Medex Patent.....	13
B.	ICU's Waiver In the <i>Medex</i> Litigation Was Forced, Not Voluntary.....	16
C.	The Court Should Deny The Motion Because The Discovery Sought Is Cumulative And Duplicative.....	18
1.	ICU Has Already Produced Sufficient Information Covering The Subjects On Which ALARIS Seeks Discovery.....	18
2.	The Requested Documents Are Not Related To Any Witness's Credibility Or Bias.....	19
IV.	CONCLUSION.....	20

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

A. ALARIS'S CONCLUSION .....20

B. ICU'S CONCLUSION.....20

1 I. INTRODUCTORY STATEMENTS

2 A. Defendant ALARIS's Introductory Statement

3 This patent litigation between Defendant ALARIS Medical Systems, Inc.  
4 ("ALARIS") and Plaintiff ICU Medical, Inc. ("ICU") began in a furor in June 2004  
5 from ICU's request for temporary injunctive relief. Defendant ALARIS moves the  
6 Court pursuant to FED. R. CIV. P. 37 on a deficiency in ICU's discovery responses.<sup>1</sup>

7 ICU is the plaintiff, counterclaim defendant and the named patent owner of the  
8 patents in suit. ICU originally only asserted U.S. Patent No. 6,682,509 ("the 509  
9 Patent"), but now asserts four patents ("the Subject Patents"), against ALARIS's  
10 SmartSite® Products.<sup>2,3</sup> ICU's President, CEO, and Chairman, George A. Lopez, is the  
11 named inventor for the Subject Patents. The technology in this case generally relates  
12 to medical devices that include needle-free valves for preventing accidental needle-  
13 sticks.

14 ALARIS is the defendant and counterclaim plaintiff. ALARIS's initial  
15 discovery was served in September 2004. (Ex. 1, Initial Case Schedule).<sup>4</sup> The Court  
16 amended the initial case schedule on November 9, 2006. (Ex. 10, Amd. Schedule.)

17 ALARIS seeks an order compelling ICU to produce all information related to  
18 ICU's election to rely on the advice of counsel in the Medex v. ICU litigation. ICU  
19 intentionally waived the privilege in Medex as a matter of litigation strategy, and  
20 cannot reclaim its waiver.

21  
22 <sup>1</sup> ALARIS continues to investigate other ICU deficiencies and whether any of ICU's  
attempts to address the deficiencies are sufficient.

23 <sup>2</sup> In addition to the 509 Patent, ICU asserts U.S. Patent No. 5,685,866, U.S. Patent No.  
24 5,873,862, and U.S. Patent No. 6,572,592. These patents claim priority back to two  
applications filed in 1991 and 1992, and thus, share a common specification (i.e. their  
written description and drawings are the same).

25 <sup>3</sup> "SmartSite Products" refers to SmartSite® and SmartSite® Plus Valves or products  
26 that incorporate a SmartSite® or SmartSite® Plus Valve.

27 <sup>4</sup> Exhibits 1-10 are attached to the Declaration of David D. Headrick ("Headr. Decl.").

1 ICU confirmed that it is withholding information, which was the subject of  
2 ICU's waiver in the Medex case, on the grounds of privilege. ICU acknowledged that  
3 it has not listed the Medex information on its privilege log. (Ex. 2, 09/01/05 Headrick  
4 Ltr. to Platt.)

5 The prior Medex v. ICU litigation involved ICU's CLAVE connector products  
6 and Medex's U.S. Pat. No. RE 35,841 ("Medex's 841 Patent"). ICU asserts in this  
7 case that its CLAVE connector is an embodiment of one or more claims of the Subject  
8 Patents.

9 ICU has already produced one "opinion of counsel" from the Medex litigation.  
10 The Medex opinion produced to ALARIS discusses, as expected, the structure and  
11 function of the CLAVE connector. Likewise, the withheld information is reasonably  
12 likely to discuss the structure and operation of the CLAVE connector products (alleged  
13 to be an embodiment of one or more of the Subject Patents) and/or may also discuss  
14 and characterize pertinent prior art, including Medex's 841 Patent, and the level of  
15 skill in, and the scope of, the prior art. As such, the withheld information may bear on  
16 ALARIS's defenses, such as obviousness and ICU's damages claims.

17 With six weeks remaining in fact discovery, an order compelling ICU is needed  
18 and appropriate. ALARIS has in good faith conferred or attempted to confer with  
19 ICU's attorneys by phone and letter in an effort to secure the requested discovery in a  
20 timely fashion without court action. See FED. R. CIV. P. 37(a); Local Rule 37-1.  
21 Accordingly, ALARIS requests that this Court order immediate production.

#### 22 B. Plaintiff ICU's Introductory Statement

23 Waivers of privilege in patent cases are narrowly construed. In particular, a  
24 waiver of attorney-client privilege with respect to one patent does not waive privilege  
25 with respect to another patent, even if the patents are related. What is at issue here are  
26 three privileged attorney-client communications that concern an unrelated litigation  
27

1 (*Medex v. ICU*) over an unrelated patent (Medex's U.S. Pat. No. RE 35,841) owned by  
2 an unrelated third party (Medex). ICU's waiver of privilege in the *Medex* case, which  
3 was essentially compelled by precedent that has since been overturned by the Federal  
4 Circuit, does not extend to this litigation.

5 ALARIS clouds this essential issue by focusing more on the imagined contents  
6 of the privileged communications instead of focusing on whether discovery is  
7 forbidden because the documents are privileged. The Court should also note the great  
8 disconnect between ALARIS's description of what it seeks to compel and the actual  
9 language of the discovery request. ALARIS says that "ALARIS Document Request  
10 No. 11 on its face captures the specific information sought." (See footnote 6, below.)  
11 The Court can see that this is not the case:

13 What ALARIS seeks to compel	The text of Document Request No. 11
14 all information related to ICU's election to 15 rely on the advice of counsel defense in 16 the prior <u>Medex v. ICU</u> patent lawsuit (the 17 " <u>Medex</u> litigation"). (See p. 7.)	All documents referring or relating to any product, whether commercially available or not, that ICU contends is covered by any claim of the Subject Patent.

18  
19 By seeking "all information related to ICU's election to rely on the advice of counsel  
20 defense in the prior Medex v. ICU patent lawsuit," ALARIS is overreaching—  
21 Document Request No. 11, as overbroad as it is, does not extend so far. And there is  
22 no other document request that is now properly before the Court, because ALARIS has  
23 failed to include the full text of any other document request, and ICU's response  
24 thereto, as required by Local Rule 37-2.1.

25 Furthermore, there is no need to invade ICU's privilege for ALARIS to be able  
26 to prepare its case. ALARIS has already received in discovery all the documents  
27 needed to satisfy its stated needs. ICU has produced 60 samples of its CLAVE

1 products, along with the assembly drawings—the “blueprints” for the products—and  
2 the instructions for use of those products. This is the primary source for information  
3 about the “structure and operation of the CLAVE connector products.” Similarly, ICU  
4 has produced all of the prior art that it has, and will answer any remaining questions in  
5 expert discovery.

6 ALARIS clouds the issues in other ways. For example, ALARIS suggests that  
7 because ICU produced one “opinion of counsel” from the *Medex* litigation, there is no  
8 reason not to produce any others. In so arguing, ALARIS misleads the Court by  
9 failing to make it clear that the produced document was a non-privileged letter from  
10 ICU’s trial counsel addressed *to adversarial trial counsel*. The letter explained ICU’s  
11 contentions with respect to the Medex patent, much like a response to a contention  
12 interrogatory. Unlike the three letters at issue in this motion,<sup>5</sup> that letter did not  
13 contain confidential advice between an attorney and client.

14 In summary, the attorney-client communications at issue here remain privileged  
15 for purposes of this litigation. ICU has satisfied its discovery obligations with respect  
16 to the structure and operation of its CLAVE products by producing the product  
17 blueprints and the instructions for their use. The requested discovery is cumulative  
18 and unnecessarily invades the confidential relationship between attorney and client.

19 For these reasons, the Court should deny ALARIS’s motion.  
20  
21

22 <sup>5</sup> For another example of how ALARIS confuses the issues, ALARIS enigmatically  
23 refers to the fact that ICU did not initially list the three attorney-client communications  
24 on its privilege log, without explaining how this relates to its motion to compel. If  
25 ALARIS means to suggest to the Court that ICU did not satisfy Rule 26(b)(5), it  
26 should have said so outright. Regardless, ALARIS again fails to tell the whole story.  
27 The parties have met and conferred on this issue, and ALARIS agreed that ICU could  
include these letters in the next supplementation of its privilege log (Ex. 2, 09/01/05  
Headrick Ltr. to Platt at 1, 4). ICU has met its obligations under Rule 26(b)(5), and  
ALARIS cannot argue otherwise.

1 **II. ALARIS'S CONTENTIONS AND POINTS AND AUTHORITIES**  
2 **REGARDING ICU'S REFUSAL TO RESPOND TO ALARIS'S**  
3 **LEGITIMATE DISCOVERY REQUESTS**

4 **A. ICU Has The Burden To Justify Its Resistance To The Requested**  
5 **Discovery**

6 FED. R. CIV. P. 26(b)(1) provides:

7 Parties may obtain discovery regarding any matter, not privileged, that is  
8 relevant to the claim or defense of any party, including the existence,  
9 description, nature, custody, condition, and location of any books,  
10 documents, or other tangible things and the identity and location of  
11 persons having knowledge of any discoverable matter. For good cause,  
12 the court may order discovery of any matter relevant to the subject matter  
involved in the action. Relevant information need not be admissible at the  
trial if the discovery appears reasonably calculated to lead to the  
discovery of admissible evidence. All discovery is subject to the  
limitations imposed by Rule 26(b)(2)(i), (ii), and (iii).

13 "Toward this end, Rule 26(b) is liberally interpreted to permit wide-ranging discovery  
14 of information even though the information may not be admissible at trial." United  
15 States ex rel. Schwartz v. TRW, Inc., 211 F.R.D. 388, 392 (C.D. Cal. 2002); see also  
16 Ragge v. MCA/Universal Studios, 165 F.R.D. 601, 603-04 (C.D. Cal. 1995). The  
17 Advisory Committee Note to Rule 26 explains that a "variety of types of information  
18 not directly pertinent to the incident in suit could be relevant to the claims or defenses  
19 raised in a given action," such as "other incidents of the same type, or involving the  
20 same product . . . [or] information that could be used to impeach a likely witness,  
21 although not otherwise relevant to the claims or defenses . . . ." FED. R. CIV. P. 26  
22 advisory committee's note (2000).

23 ICU is resisting discovery. Thus, ICU "has the burden to show that discovery  
24 should not be allowed, and has the burden of clarifying, explaining and supporting its  
25 objections." Cable & Computer Tech. v. Lockheed Sanders, Inc., 175 F.R.D. 646, 650  
26 (C.D. Cal. 1997).



1           **B.     Discovery Requests Relevant To ICU's Deficiencies**

2           ALARIS has identified several ALARIS document requests to which the  
3 requested Medex case information is responsive, including Document Request No. 11.<sup>6</sup>  
4 Document Request No. 11 and the related response are provided verbatim below.

5           [ALARIS's] REQUEST FOR PRODUCTION NO. 11:

6           All documents referring or relating to any product, whether commercially  
7 available or not, that ICU contends is covered by any claim of the Subject Patent.

8           [ICU's] ORIGINAL RESPONSE TO REQUEST FOR PRODUCTION NO.

9           11:

10           In addition to its General Objections, ICU objects to this request to the extent  
11 that it seeks information protected by the attorney-client privilege and/or the work-  
12 product doctrine, or any other lawfully recognized privilege or immunity.

13           ICU objects to producing confidential documents called for by this Request to  
14 the extent that it seeks information that is confidential to ICU or to third parties.

15           ICU objects to the request as seeking information that is not relevant to the  
16 claim or defense of any party.

17           ICU objects to the extent this request calls for a legal conclusion as the request  
18 requires ICU to draw a legal conclusion as to what products are "covered by any  
19 claim" of the '509 patent.  
20

21  
22           <sup>6</sup> In addition to Document Request 11, ALARIS has identified other ALARIS  
23 document requests to which the withheld information from the Medex case is also  
24 responsive, namely, ALARIS Doc. Req. Nos. 9, 10, 23, 27, 38, and 39. (Ex. 3, ICU's  
25 Second Supplemental Responses to ALARIS's Requests For Production Nos. 1-46.)  
26 Because ALARIS Document Request No. 11 on its face captures the specific  
27 information sought, ALARIS has not provided the other document requests verbatim  
28 in this paper in an attempt to reduce the volume of this brief and in turn, the burden on  
the Court. These other document requests are attached as Exhibit 3 to this Joint  
Stipulation.

1 Further, ICU objects to this request as unduly burdensome to the extent it is  
2 duplicative of ALARIS' Request for Production No. 10.

3 Subject to and without waiving its specific and general objections, ICU responds  
4 as follows: ICU will produce relevant, responsive, non-privileged documents in its  
5 possession, custody or control.

6 [ICU's] SUPPLEMENTAL RESPONSE TO REQUEST FOR PRODUCTION  
7 NO. 11:

8 Subject to the General and Specific objections set forth in its original response  
9 and incorporated herein, reserving its right to supplement further, ICU supplements its  
10 response as follows:

11 ICU objects to the extent this request calls for a legal conclusion as the request  
12 requires ICU to draw a legal conclusion as to what products are "covered by any  
13 claim" of U.S. Patent Nos. 5,685,866, 5,873,862, 6,572,592, and 6,682,509.

14 Subject to and without waiving its specific and general objections, ICU responds  
15 as follows: ICU will produce relevant, responsive, non-privileged documents in its  
16 possession, custody or control.

17 ***[END OF RESPONSE TO REQUEST FOR PRODUCTION NO. 11]***

18 **C. ICU Should Be Compelled To Produce All Information Related To**  
19 **ICU's Election To Rely On The Advice Of Counsel In The Medex v.**  
20 **ICU Litigation**

21 ALARIS seeks all information related to ICU's election to rely on the advice of  
22 counsel defense in the prior Medex v. ICU patent lawsuit (the "Medex litigation").  
23 (See, e.g., Ex. 3, ALARIS Request for Production No. 11.) In the Medex litigation,  
24 ICU elected to rely on advice of counsel in defense of Medex's claim that ICU's  
25  
26  
27

1 CLAVE connector products infringed U.S. Pat. No. RE 35,841 ("the Medex 841  
2 Patent").<sup>7</sup>

3 ICU waived the privilege and work product immunity in the Medex litigation.  
4 ICU confirmed that it is withholding information in this case (despite having waived  
5 that privilege and producing these documents in the Medex case) that was the subject  
6 of ICU's waiver in the Medex case on the grounds of privilege. (Ex. 2, 09/01/05  
7 Headrick Ltr. to Platt.) ICU acknowledged that it has not logged (or appropriately  
8 supplemented) the withheld information on its privilege log in this case.

9 ALARIS proposed to have ICU immediately produce the requested information.  
10 ALARIS offered to resolve the dispute with regard to any confidentiality concerns of  
11 ICU by allowing such information, as appropriate, to be designated under the  
12 protective order. ICU refused ALARIS's offers and did not offer any other way to  
13 resolve the dispute.

14 **1. The Advice Of Counsel Information From The Medex v.**  
15 **ICU Litigation Is Discoverable**

16 In the Medex litigation, ICU's CLAVE connector product was at issue – it was  
17 accused of infringing the Medex 841 Patent. The information relied on by ICU in the  
18 Medex litigation describes the structure and operation of CLAVE connectors. ICU has  
19 already produced one opinion of counsel from the Medex case authored by Steven  
20 Nataupsky, who is also one of the attorneys involved in the prosecution of the Subject  
21 Patents. (Ex. 6, 07/08/99 Nataupsky Ltr. to Grossman.) The Nataupsky opinion  
22 confirms that the withheld information will likely discuss the operation of the CLAVE  
23

24 <sup>7</sup> ICU produced to Medex a written opinion of counsel and identified other documents  
25 as part of its waiver. (Ex. 4, 08/06/01 Platt Ltr. to Grossman (enclosing opinions); Ex.  
26 5, ICU's Third Supp. Resp. to Medex's First Set of Interrog. (No. 5) (citing ICU-OH  
27 37271-37309, ICU-OH 37310-312, ICU-OH 37313-37313-316, ICU-OH 40381-  
40384, and ICU-OH 37318-37320).)

1 connector and terms (like “spike” and “seal”) that are used in asserted claims of the  
2 Subject Patents in this case. (Id. at 3.)

3 ICU’s attempt to focus attention on the Subject Patents in this case and the  
4 patent asserted in the Medex litigation tells only part of the story. ICU seeks damages  
5 in this case based on CLAVE connector product sales and likely will argue the  
6 CLAVE connector’s commercial success. In fact, ICU claims in this case that “its  
7 CLAVE connector and all products that incorporate a CLAVE connector and methods  
8 of use” are embodiments of the alleged inventions claimed in the Subject Patents. (Ex.  
9 7, ICU’s Supplemental Preliminary Infringement Contentions at 5-6, emphasis added.)  
10 It is ICU’s burden in this case to show that its CLAVE connector products are  
11 embodiments of each claim asserted. Thus, the structure and operation of the CLAVE  
12 connector is relevant.

13 In addition, the withheld information may also discuss and/or characterize prior  
14 art to the Subject Patents and the level of skill in the pertinent art.<sup>8</sup> For example, the  
15 Medex 841 Patent is a reissue of U.S. Patent No. 5,203,775 (“The ‘775 Patent”). The  
16 ‘775 Patent is cited prior art to one or more of the Subject Patents. Such information  
17 bears on at least ALARIS’s invalidity defenses and ICU’s damages claim. Cf. Demaco  
18 Corp. v. F. Von Langsdorff Licensing, Ltd., 851 F.2d 1387, 1392 (Fed. Cir. 1988)  
19 (explaining that a *prima facie* showing of nonobviousness can generally be made when  
20 the patentee “shows both that there is commercial success, and that the thing (product  
21 or method) that is commercially successful is the invention disclosed and claimed in  
22 the patent.”)

23 In any event, ALARIS should be afforded the opportunity to examine the  
24 withheld information from the Medex case for credibility and bias in connection with

25 <sup>8</sup> ICU refused to tell ALARIS if the opinions were based on invalidity, non-  
26 infringement, unenforceability, or some combination of these grounds. (Ex. 2,  
27 09/01/05 Headrick Ltr. to Platt.)

1 ICU's assertions in this case regarding the CLAVE connector and prior art. For  
2 example, ALARIS should be permitted to explore whether ICU has taken an  
3 inconsistent position(s) (whether in connection with an infringement, invalidity or  
4 unenforceability opinion) in defending its product against infringement claims in the  
5 Medex case and in asserting in this case that its CLAVE connector is an embodiment  
6 of the Subject Patents. FED. R. CIV. P. 26 permits the discovery of information that  
7 "may simply relate to the credibility of a witness or other evidence in the case." See  
8 United States v. City of Torrance, 164 F.R.D. 493, 495 (C.D. Cal. 1995) (citation  
9 omitted); see also FED R. CIV. P. 26 advisory committee's note (2000) (see § II.A.  
10 supra.)

11 That ICU may have provided other information that claims are relevant to these  
12 issues, does not take away from the relevance of the information sought. This  
13 information is discoverable.

## 14 2. ICU Cannot Un-Ring The Waiver Bell

15 ICU resists discovery contending that ICU's waiver was "limited" to the Medex  
16 litigation. (Ex. 7, 07/06/05 Platt Ltr. to Headrick; Ex. 8, 07/11/05 Platt Ltr. to  
17 Headrick.) The issue here is whether ICU can reclaim in this case the privilege it  
18 waived in the Medex litigation. ICU did not offer any authority during the meet and  
19 confer process holding that it can reclaim the attorney-client privilege and work  
20 product immunity waived in the Medex litigation.

21 ICU has made no particularized showing that the information is privileged or  
22 that it can reclaim the privilege in this case. See Weil v. Inv. / Indicators, Research &  
23 Mgmt., Inc., 647 F.2d 18, 25 (9th Cir. 1981) (confirming that the "burden of proving  
24 that the attorney-client privilege applies rests not with the party contesting the  
25 privilege, but with the party asserting it.") (citations omitted). One of ICU's counsel of  
26 record in this case was the attorney who informed Medex that ICU waived the  
27

1 privilege. (Ex. 4, 08/06/01 Platt Ltr. to Grossman (Medex's counsel) (enclosing  
2 opinions).) ICU does not dispute that its waiver in connection with ICU's election to  
3 rely on the advice of counsel was deliberate, and calculated to give ICU an advantage  
4 in its defense to Medex's willfulness charge.

5 In Genentech, Inc. v. U.S. ITC, 122 F.3d 1409 (Fed. Cir. 1997), the Federal  
6 Circuit explained that "[o]nce the attorney-client privilege has been waived, the  
7 privilege is generally lost for all purposes and in all forums." Id. at 1416 (citations  
8 omitted, emphasis added).<sup>9</sup> Indeed, as this Court has noted, initially maintaining  
9 attorney-client privilege is particularly valuable. If the privilege was waived in prior  
10 litigation, it cannot be asserted regarding the same documents in subsequent litigation.  
11 See U.S. ex rel. Bagley v. TRW, Inc., 204 F.R.D. 170, 184 (C.D. Cal. 2001) (involving  
12 inadvertent disclosure).

13 ICU has cited a case from the Eastern District of Pennsylvania, Katz v. AT&T  
14 Corp., 191 F.R.D. 433, 440 (E.D. Pa. 2000), to justify its withholding of the Medex  
15 information.<sup>10</sup> Yet, Katz supports ALARIS's position. In Katz, the court did not find  
16 that the attorney-client privilege and work product immunity could be reclaimed in a  
17 later litigation. See Katz, 191 F.R.D. at 439-40 (requiring production in the later

18  
19 <sup>9</sup> The Court in Genentech affirmed a finding that a waiver of privilege was not limited  
20 to the specific district court proceeding in which it occurred and that discovery should  
21 be permitted in a later International Trade Commission proceeding. 122 F.3d 1409,  
22 1416-17 (Fed. Cir. 1997) (affirming general waiver where Genentech inadvertently  
23 disclosed privileged documents in a district court litigation; reversing the sanction of  
24 case dismissal for failure to produce documents that were subject to the waiver).

25 <sup>10</sup> The other cases cited to ALARIS by ICU, namely Kloster Speedsteel AB v.  
26 Crucible, Inc., 793 F.2d 1565 (Fed. Cir. 1986), Fromson v. Western Litho Plate and  
27 Supply Co., 853 F.2d 1568 (Fed. Cir. 1988), and Knorr-Bremse Systeme Fuer  
28 Nutzfahrzeuge GmbH v. Dana Corp., 383 F.3d 1337, 1344 (Fed. Cir. 2004) (*en banc*),  
merely confirm that the state of the law at the time of the Medex case was that ICU  
apparently had to decide to whether to waive the privilege in defending against  
Medex's willful infringement charge. ICU voluntarily waived the privilege (see note 7  
above). Unlike Genentech, these cases do not address the effect of a voluntary waiver  
in an earlier patent litigation on a later patent litigation involving the same products  
and/or patents. Thus, these cases are not on point.

1 litigation on ten topics encompassed by the subject matter waived in the prior  
2 litigation).

3 **3. ICU Cannot Demonstrate Any Immunity To Outweigh The**  
4 **Relevance Of The Requested Information**

5 ICU's argument that production would be burdensome fails because:

- 6 • ICU has not provided specific facts to meet its burden that discovery not be  
7 had because of confidentiality or privilege;  
8 • as shown above, the information sought is not subject to any privilege or  
9 immunity, and constitutes discoverable information; and  
10 • any concerns regarding a "confidential" nature of the documents can be  
11 addressed under the stipulated protective order entered in this case.<sup>11</sup>

12 ICU has already produced one "opinion of counsel" from the Medex litigation under  
13 the protective order entered in this case. There is no reason ICU should not do the  
14 same for the withheld information from the Medex litigation (under an appropriate  
15 confidentiality designation).

16 To the extent that ICU seeks to preclude the use of such information at trial,  
17 such an objection does not justify withholding production now. In sum, ALARIS  
18 seeks discoverable information. ALARIS requests ICU's immediate and complete  
19 response.  
20  
21  
22  
23  
24

25 <sup>11</sup> An umbrella protective order has been entered in this case. (Ex. 9, Stipulated  
26 Protective Order.) It has two tiers of confidentiality (Confidential and Attorneys Eyes  
27 Only).

1 **III. ICU'S CONTENTIONS AND POINTS AND AUTHORITIES**  
2 **REGARDING ALARIS'S ATTEMPT TO COMPEL THE PRODUCTION**  
3 **OF PRIVILEGED COMMUNICATIONS**

4 At issue here are three letters that J. Mark Holland, ICU outside counsel, wrote  
5 to Francis O'Brien, ICU's Chief Financial Officer. These attorney-client  
6 communications concern an unrelated litigation (*Medex v. ICU*) about an unrelated  
7 patent (Medex's U.S. Pat. No. RE 35,841) owned by an unrelated third party (Medex).  
8 Because Medex alleged that ICU willfully infringed its '841 Patent, ICU was forced  
9 (by legal precedent that has since been overruled) to waive its privilege protecting its  
10 opinions regarding *that patent* in order to rebut Medex's allegations. Because ICU's  
11 privilege waiver concerned only Medex's U.S. Patent No. RE35,841, the Court should  
12 not extend ICU's waiver to this lawsuit. ALARIS's motion to compel production of  
13 the attorney-client communications should be denied.

14  
15 **A. ICU's Privileges Remain Intact In This Litigation Because ICU's**  
16 **Previous Waiver Is Limited To The Medex Patent.**

17 The scope of the waiver is narrowly construed in patent cases, and the disclosure  
18 of an opinion of counsel in a patent litigation does *not* serve as a wholesale waiver of  
19 the attorney-client privilege. *Katz v. AT&T Corp.*, 191 F.R.D. 433, 440 (E.D. Pa.  
20 2000). In *Katz*, the parties disputed the scope of a privilege waiver in terms of the  
21 subject matter of the disclosure. *Id.* at 439. In a prior litigation involving Mr. Katz's  
22 six patents and one patent application, some privileged documents establishing dates of  
23 conception were produced. In a later litigation, the same six patents were asserted  
24 against AT&T, along with other patents, totaling over 400 asserted patent claims  
25 combined. *Id.* at 435. The court held that the waiver in the earlier litigation would  
26 extend to the later litigation, because the subject matter involved the same six patents.  
27



1 *Id.* at 440. However, the court also held that the scope of the waiver was “correctly  
2 limited” to *only* the six patents at issue in the prior litigation, and not to any of the  
3 other patents at issue. *Id.*

4 Thus, although ICU did waive its privilege in the *Medex* litigation with respect  
5 to opinions regarding Medex’s ‘841 patent—and was essentially forced to do so in  
6 order to rebut a charge of willful infringement of Medex’s patent—ICU’s waiver is  
7 limited to Medex’s ‘841 patent. Because Medex’s patent is not at issue in this case,  
8 ICU’s previous waiver does not extend to this litigation.

9 Moreover, the “privilege is waived only if facts relevant to a particular, narrow  
10 subject matter have been disclosed in circumstances in which it would be unfair to  
11 deny another party an opportunity to discover other relevant facts with respect to that  
12 subject matter.” *Applied Telematics, Inc. v. Sprint Corp.*, No. 94 CV 4603, 1995 WL  
13 567436, at \*3 (E.D. Pa. Sept. 21, 1995) (attached as Exhibit A to the Declaration Of  
14 Marc David Peters In Opposition To Defendant ALARIS’s Motion To Compel ICU’s  
15 Response To ALARIS’s Requests For Production Nos. 9, 10, 11, 23, 27, 38, 39  
16 (“Peters Decl.”)). There is no unfairness in the Court denying ALARIS’s motion.  
17 ALARIS has not and will not be denied an opportunity to discover facts regarding  
18 ICU’s CLAVE products, the prior art, or any of the other subjects it mentions. On the  
19 contrary, for all of these subjects, ICU has produced extensive documentation,  
20 answered interrogatories, and is producing witnesses to testify.

21 Indeed, ICU’s opinions of counsel and associated information relate only to  
22 Medex’s ‘841 patent and not to any of the ICU patents asserted in this case. So it is  
23 not unfair to deny ALARIS discovery of ICU’s opinions of counsel concerning the  
24 ‘841 patent.

25 There is no support in the law for ALARIS’s suggestion that ICU’s privileges  
26 are diminished by the fact that Medex’s ‘841 patent is a reissue of Medex’s ‘775  
27 patent, which was cited as prior art to ICU’s patents. This argument is directly

1 contrary to the holding in *Katz*, which required the *same* patent to be at issue in both  
2 litigations in order for the waiver of privilege to continue to apply. Indeed, the mere  
3 indirect relatedness of the '841 and '775 patents is insufficient to justify the extension  
4 of the waiver. A waiver of attorney-client privilege with respect to one patent does not  
5 waive privilege with respect to another patent, even if the patents are related.  
6 *Heidelberg Harris, Inc. v. Mitsubishi Heavy Indus., Ltd.*, No. 95 C 0673, 1996 WL  
7 514993, at \*1-2 (N.D. Ill. Sep. 6, 1996) ("Mitsubishi's waiver of the privilege as to  
8 some patents will be construed narrowly so that it does not thereby waive its privileges  
9 as to other patents.") (attached as Exhibit B to the Peters Decl.)

10 Because *Genentech* does not hold to the contrary, ALARIS's reliance on it is  
11 misplaced. *Genentech, Inc. v. Int'l Trade Comm'n*, 122 F.3d 1409, 1413 (Fed. Cir.  
12 1997). *Genentech* involved a patent owner that brought an action before the  
13 International Trade Commission based on infringement of four of its patents, and also  
14 sued different defendants in the Southern District of Indiana for infringement of  
15 fourteen patents, four of which were the same four patents at issue in the ITC  
16 investigation. *Id.* at 1411-13 (Fed. Cir. 1997). The district court had found that the  
17 patent owner had waived privilege with respect to certain documents, and the ITC  
18 defendants sought to extend that waiver to the ITC proceeding. *Id.* at 1413. Because  
19 the same patents were at issue in the two litigations, *id.*, the waiver of the privilege in  
20 one action was—not surprisingly—held to be a waiver in the other. *Id.* at 1418. But  
21 that is manifestly not the situation here. The opinions ALARIS now seeks do not  
22 relate to the patents-in-suit or any other ICU patent. Instead, these opinions relate to  
23 Medex's allegation that ICU infringed Medex's '841 patent. The communications at  
24 issue are not relevant to the present litigation in which ICU is asserting completely  
25 different patents against ALARIS.

1 B. ICU's Waiver In the *Medex* Litigation Was Forced, Not Voluntary.

2 Because ICU's waiver in the *Medex* litigation was essentially compelled, not  
3 voluntary, the Court should not extend the waiver to this litigation. In determining  
4 whether ICU's attorney-client communications remain privileged in this case, the  
5 Court should understand and take into account the circumstances under which the  
6 opinions were produced in the *Medex* litigation. *Katz*, 191 F.R.D. at 440 ("A  
7 determination as to the scope of the waiver must be made under all the circumstances,  
8 including the context in which the disclosure is made . . ."). In the *Medex* litigation,  
9 *Medex* asserted that ICU willfully infringed its '841 Patent, entitling it to treble  
10 damages and attorneys' fees under 35 U.S.C. §§ 284 and 285.

11 At the time the *Medex* litigation was pending, *Kloster Speedsteel AB v. Crucible*,  
12 *Inc.*, 793 F.2d 1565 (Fed. Cir. 1986), and *Fromson v. Western Litho Plate and Supply*  
13 *Co.*, 853 F.2d 1568 (Fed. Cir. 1988), were controlling precedent regarding how a  
14 defendant could rebut a charge of willful infringement. These cases held that the  
15 failure of a party to produce an opinion of counsel triggered an adverse inference either  
16 that no opinion was obtained or, if an opinion were obtained but privilege was not  
17 waived, that it was contrary to the accused infringer's position of noninfringement.  
18 This law essentially forced defendants to waive any privilege and produce their  
19 opinions of counsel.<sup>12</sup> If ICU had asserted the attorney-client privilege in the *Medex*  
20 case and refused to produce the opinions of counsel, it would have been subject to the  
21

22  
23 <sup>12</sup> ALARIS characterization of ICU's waiver of privilege as "voluntary" has no support  
24 in the law, particularly in light of *Kloster* and *Fromson*. *Terra Novo*, 2004 WL  
25 2254559, at \*3. Withholding the opinion of counsel would have resulted in an  
26 instruction that the jury could presume that ICU's attorneys concluded that ICU  
27 infringed *Medex*'s patent—completely eviscerating ICU's ability to defend against  
28 *Medex*'s charge of willful infringement. Like every other patent defendant before  
*Knorr-Bremse* was decided, ICU had no choice but to reveal the advice it had received  
from its counsel. *Id.*

1 adverse inference that increased the risk of being held liable for treble damages and  
2 attorneys' fees.

3 Courts have recognized that "the negative inference rendered the waiver of  
4 attorney-client privilege less than voluntary." *Terra Novo, Inc. v. Golden Gate Prods.,*  
5 Inc., No. C-03-2684 MMC EDL, 2004 WL 2254559, at \*2 (N.D. Cal. Oct. 1, 2004)  
6 (attached as Exhibit C to the Peters Decl.). For this reason, the Federal Circuit, sitting  
7 en banc, overruled the adverse inference, recognizing that it "can distort the attorney-  
8 client relationship, in derogation of the foundations of that relationship." *Knorr-*  
9 *Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337, 1344 (Fed.  
10 Cir. 2004) (*en banc*). The Federal Circuit reasoned: "There should be no risk of  
11 liability in disclosures to and from counsel in patent matters; such risk can intrude  
12 upon full communication and ultimately the public interest in encouraging open and  
13 confident relationships between client and attorney." *Id.* And even before the Federal  
14 Circuit's *Knorr-Bremse* decision, district courts had recognized that in situations where  
15 the disclosure of advice of counsel is to defend a claim of willful infringement, the  
16 waiver of privilege is not absolute, but rather must be limited. *Katz*, 191 F.R.D. at 441.

17 Because of the precedent in force during the *Medex* litigation, ICU was  
18 effectively forced to produce the opinions of counsel in order to defend Medex's  
19 claims of willful infringement or face treble damages. *Terra Novo*, 2004 WL  
20 2254559, at \*2 (recognizing that "waiver should be construed narrowly" because  
21 "obtaining an opinion of counsel to defend against willfulness was close to compulsory  
22 in the pre-*Knorr* timeframe."). The Federal Circuit has since determined that such  
23 disclosure was against the public interest. *Knorr-Bremse*, 383 F.3d at 1344. This is an  
24 additional reason that ICU's waiver of the attorney-client and work product privileges  
25 with respect to its opinions of counsel should be limited to the *Medex* litigation and not  
26 extended to this case.

1           **C. The Court Should Deny The Motion Because The Discovery Sought**  
2           **Is Cumulative And Duplicative**

3           Under Rule 26, the Court can limit the scope of discovery if it determines that  
4           “the discovery sought is unreasonably cumulative or duplicative” or that “the burden  
5           or expense of the proposed discovery outweighs its likely benefit, taking into account  
6           the needs of the case, the amount in controversy, the parties’ resources, the importance  
7           of the issues at stake in the litigation, and the importance of the proposed discovery in  
8           resolving the issues.” FED. R. CIV. P. 26(b)(2); *see also Richlin v. Sigma Design West,*  
9           *Ltd.*, 88 F.R.D. 634 (E.D. Cal. 1980) (denying a motion to compel responses to  
10          interrogatories because the information sought was duplicative of that already  
11          discovered). Here, the Court should limit discovery and not compel production of  
12          information relating to ICU’s reliance on the advice of counsel in the *Medex v. ICU*  
13          litigation, because ICU has produced more than ample discovery on each of the issues  
14          raised by ALARIS. Requiring ICU to produce its opinions of counsel is unreasonably  
15          cumulative or duplicative, and the opinions, being from a different case and about a  
16          different patent, are not important to *this* case.

17               **1. ICU Has Already Produced Sufficient Information Covering**  
18               **The Subjects On Which ALARIS Seeks Discovery.**

19          ALARIS unnecessarily spends more of its argument listing the subjects that it  
20          imagines ICU’s attorney-client communications might relate to, instead of addressing  
21          the issue of privilege head-on. But even here, ALARIS’s argument fails.

22          To the extent ALARIS needs discovery on the structure and operation of ICU’s  
23          CLAVE products, ALARIS has already received it. ICU produced 60 physical  
24          samples of its CLAVE connector products, both assembled and unassembled. *See*  
25          Peters Decl., ¶ 2. From these, ALARIS can readily determine the structure and  
26          components of the products, and see for itself how they work. ICU has also produced  
27          hundreds of assembly drawings. *Id.* at ¶ 3. These drawings show the structure of the

1 CLAVE connectors; they are essentially the blueprints of the connectors. Furthermore,  
2 ICU has produced the "Directions For Use" for its CLAVE connector products, *id.* at  
3 ¶ 4, which explain how ICU's connectors are to be used by health professionals to treat  
4 patients. Everything that ALARIS might need to determine whether ICU's products  
5 are or are not embodiments of ICU's patent claims are already in ALARIS's  
6 possession. ALARIS has not shown that it *also* needs ICU's confidential legal  
7 analysis of *Medex's* patent to make that determination.

8 With respect to information relating to prior art, invalidity, and level of skill in  
9 the art, ALARIS's motion to compel does not properly reach these issues. ALARIS  
10 has limited its motion to Document Request No. 11. See footnote 6 above and Local  
11 Rule 37-2.1. That request seeks "[a]ll documents referring or relating to any product,  
12 whether commercially available or not, that ICU contends is covered by any claim of  
13 the Subject Patent." ALARIS's Request No. 11 is not reasonably directed to issues of  
14 prior art, invalidity, and level of skill in the art. And even if it were, ICU has produced  
15 all of the prior art that it has, and will answer any remaining questions in fact  
16 depositions and expert discovery. So ALARIS's other document requests have been  
17 satisfied as well.

18 In summary, ICU's opinions of counsel regarding the Medex patent and  
19 documents related thereto are superfluous in light of what has already been produced.  
20 Where, as here, attorney-client communications are at issue, and the requested  
21 discovery may be had through alternative means, the Court should exercise its power  
22 under Rule 26(b)(2) to limit the scope of discovery and protect ICU's attorney-client  
23 communications.

24 **2. The Requested Documents Are Not Related To Any**  
25 **Witness's Credibility Or Bias**

26 An alleged need to assess witness credibility or bias is never enough to pierce  
27 the attorney-client privilege. Even if it were, the Court should not credit ALARIS's

1 argument regarding witness credibility and bias. The privileged communications at  
2 issue here were authored by J. Mark Holland, ICU's outside counsel. Mr. Holland is  
3 not an ICU employee, he is not counsel of record in this litigation, and he is not  
4 expected to be called as a witness in this litigation. See Peters Decl., ¶ 5. Mr.  
5 Holland's credibility or bias is in no way relevant to any of ALARIS's claims or  
6 defenses in this litigation. As a result, Mr. Holland's letters are not discoverable. FED.  
7 R. Civ. P. 26(b)(1) ("Parties may obtain discovery regarding any matter, not  
8 privileged, that is *relevant* to the claim or defense of any party . . .") (emphasis  
9 added). ICU respectfully requests that the Court deny ALARIS's motion.

#### 10 11 IV. CONCLUSION

##### 12 A. ALARIS'S CONCLUSION

13 Accordingly, for the reasons stated above, ALARIS requests that this Court  
14 order immediate production. A Proposed Order is submitted concurrently.

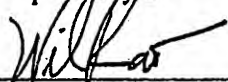
##### 15 B. ICU'S CONCLUSION

16 The attorney-client communications that ALARIS moves to compel relate to a  
17 patent that is not at issue in this litigation and is owned by a third party. ICU's waiver  
18 of the privilege protecting those communications in another, unrelated litigation must  
19 be narrowly construed to not extend to this litigation. Moreover, because the  
20 information that ALARIS seeks to glean from those letters has been made available  
21 from other sources, the requested discovery is cumulative and the burden to ICU of  
22 having to produce its attorney-client confidences outweighs ALARIS's imagined  
23 benefits. For these reasons, the Court should deny ALARIS's motion.  
24

1 Dated: March 7, 2006

Dated: March 7, 2006

2  
3 Respectfully Submitted,

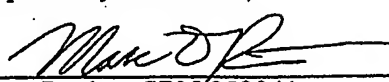
4 

5 Timothy J. Malloy, Pro Hac Vice  
6 David D. Headrick, Pro Hac Vice  
7 MCANDREWS, HELD & MALLOY, LTD.  
8 500 West Madison Street, 34th Floor  
9 Chicago, Illinois 60661  
10 Telephone: (312) 775-8000  
11 Facsimile: (312) 775-8100

12 Mark P. Wine, SBN 189897  
13 Christopher Bright, SBN 206273  
14 MCDERMOTT WILL & EMERY LLP  
15 18191 Von Karman Avenue, Suite 400  
16 Irvine, California 92612  
17 Telephone: (949) 851-0633  
18 Facsimile: (949) 851-9348

19 Attorneys for Defendant  
20 ALARIS MEDICAL SYSTEMS, INC.

Respectfully Submitted,



James Pooley, SBN 058041  
Kimberly N. Van Voorhis, SBN 197486  
Marc David Peters, SBN 211725  
POOLEY & OLIVER LLP  
Five Palo Alto Square, 7<sup>th</sup> Floor  
3000 El Camino Real  
Palo Alto, CA, 94306-2109  
Telephone: (650) 739-7000  
Facsimile: (650) 739-71000

S. Christian Platt, SBN 199318  
PAUL HASTINGS, JANOFKY & WALKER  
LLP  
3579 Valley Centre Drive  
San Diego, CA 92130  
Telephone: (858) 720-2500  
Facsimile (858) 720-2555

Attorneys for Plaintiff  
ICU MEDICAL, INC.



1 **PROOF OF SERVICE**

2 I declare that I am over the age of eighteen (18) years and not a party to this action. My  
3 business address is 2049 Century Park East, 34th Floor, Los Angeles, California 90067 and I am  
4 employed in the office of a member of the bar of this Court at whose direction this service was  
made.

5 On MARCH 7, 2006, I served the following document(s) described as: **JOINT**  
6 **STIPULATION FILED IN SUPPORT OF AND IN OPPOSITION TO DEFENDANT**  
7 **ALARIS MEDICAL SYSTEMS, INC.'S MOTION TO COMPEL ICU'S RESPONSE TO**  
**ALARIS' REQUEST FOR PRODUCTION NOS. 9, 10, 11, 23, 27, 38, 39**

8 ☐ **BY MAIL** as follows: I am readily familiar with the firm's practice of collection and  
9 processing of correspondence for mailing with the United States Postal Service. Under  
10 that practice the correspondence was deposited with the United States Postal Service on  
11 the same day this declaration was executed in the ordinary course of business. Under that  
12 practice the envelope(s) was (were) sealed, and with postage thereon fully prepaid,  
placed for collection and mailing on this date in the United States Mail at Los Angeles,  
California addressed as set forth below.

13 ☐ **BY PERSONAL SERVICE** as follows: I caused such envelope(s) to be delivered by  
14 hand to the addressee(s) at the address set forth below by First Legal Support Messenger  
Service.

15 ☒ **BY FEDERAL EXPRESS** as follows: I placed the document(s) listed above with fees  
16 thereon fully prepaid for deposit with Federal Express (next business day delivery), this  
same day following ordinary business practices to the address(es) set forth below.

17 ☒ **BY FACSIMILE TRANSMISSION** as follows: I caused the above-referenced  
18 document(s) to be transmitted by facsimile to its intended recipient(s) at the following  
facsimile number(s) before 5:00 p.m.

19 I declare under penalty of perjury that the foregoing is true and correct and that this  
20 declaration was executed on **MARCH 7, 2006**, at Los Angeles, California.

21 ☒ **FEDERAL:** I declare that I am employed in the office of a member of the bar of this  
22 court at whose direction service was made.

23 **PLEASE SEE ATTACHED SERVICE LIST**

24   
25 **SHAYNA FISCHER**  
26  
27  
28

1 **SERVICE LIST**

2 **James Pooley, Esq.**

3 **POOLEY & OLIVER, LLP**

4 **Five Palo Alto Square, 7th Floor**

5 **3000 El Camino Real**

6 **Palo Alto, CA 94306**

7 **T: 650-739-7000**

8 **F: 650-739-7100**

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30